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February 27, 2024

The Honorable C.T. Wilson
Economic Matters Committee
231 House Office Building
Annapolis, MD 21401

Re: Opposition to HB 864-Energy Efficiency & Conservation Plans

Dear Chairman Wilson and Members of the Committee:

On behalf of the members of Choptank Electric Cooperative, I respectfully oppose HB 864 because of the significant fiscal impact it will have on the families in Choptank's service territory. As drafted, the bill adds Choptank to the EmPOWER program for the first time. We are a small electric distribution company, and this change will cause electric bills for families to increase by \$200-\$400 per year. The EmPOWER surcharge will have to be set somewhere between \$20 and \$35 per month, which will be an 18% increase on an average residential electric bill.

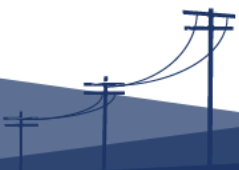
Choptank Electric Cooperative serves some of the lowest income areas of the state. While we provide service in 9 counties, we are in the most rural portions of those counties, with an average of only 8 customers per mile. We are a not-for-profit company formed to serve families and farm businesses left behind by for-profit electric companies in the 1930s. All the revenue to run the cooperative comes from the member-owners.

When possible, Choptank uses grant funding to implement important projects like energy efficiency upgrades. In the spirit of the EmPOWER goals, Choptank has coordinated our Chop-A-Watt program for the last 8 years with funding from the Maryland Energy Administration and Old Dominion Electric Cooperative (ODEC), our energy supplier. In 2023, working with Eleventh House Solutions, we administered \$500,000 in grants that helped families secure weatherization repairs and upgrade efficiency or convert fossil fuel appliances to electric. Here is a list of some of those changes:

- Heat pump and AC replacements
- Weatherstripping for doors and windows
- LED lighting upgrades
- Air duct sealing and blown insulation
- Replace refrigerators with energy star rated appliances
- Seal interior crawlspace door and air leakage points

In coordination with ODEC, Choptank is also launching a new mid-cycle update for all members to let them know how much energy they have used, how much they will use and what their bill will be if unchanged. This will also give us additional opportunity to promote energy efficiency changes supported through Chop-A-Watt and other state and federal resources.

When the original EmPOWER program was debated and passed by the Maryland General Assembly in 2008, municipal electric companies and cooperatives with fewer than 250,000 customers, like



Members First. Every Day.

Choptank, were exempted because it was simply too expensive to implement. The exemption was continued in the 2017 amendments and in the bill this Committee and the full House passed last year. Nothing has changed at Choptank in terms of size or ability to administer the full program.

We urge the Committee to give HB 864 an Unfavorable Report as drafted. If you plan to move a bill, we urge you to restore the exemption for electric cooperatives with fewer than 250,000 customers to avoid an increase in electric bills of \$200 to \$400 per family per year.

Sincerely,

A handwritten signature in black ink that reads "Valerie T. Connelly". The signature is written in a cursive, flowing style.

VALERIE T. CONNELLY

Vice President of Government Affairs & Public Relations

